

FILE ONLY

# Love wants to buy Florida developer

By MAC SCOTT

Love Development and Investment Co. is negotiating to purchase a majority interest of Punta Gorda Isles Inc., a Florida builder and community developer.

According to David Kirkland, a Love Cos. senior vice president, the St. Louis-based firm will buy \$7.5 million worth of Punta Gorda's unissued Class A Cumulative Preferred Stock.

The purchase will give Love a controlling interest in the development firm, Kirkland said.

"Punta Gorda is regarded as one of Florida's finest community development firms," Kirkland said, "but during the past few years, they've had severe financial problems."

Paula McQueen, a spokesperson for Punta Gorda, said the firm's debt peaked at a time when development was slackening off. She said between 1982 and 1985 the firm paid \$52 million in interest while revenues declined from \$47 million in 1982 to \$33 million in 1985.

"The only thing this company lacks," McQueen said, "is permanent financing."

She added that the agreement with the Love Cos. already has helped to begin to correct the situation.

According to a press release, Punta Gorda's primary lending bank, Naples Federal Savings and Loan, has agreed to certain new conditions if the sale of the stock is consummated.

Naples Federal will provide additional financing to retire approximately \$10.8 million of indebtedness maturing this year. In addition, it will release approximately \$9.4 million in receivables presently held as collateral, provide additional financing of up to \$6.1 million to fund operations and to provide capital improvements, reduce the interest rate of approximately 13 percent to a fixed rate of 10 percent and extend the term of the loan agreement through April 15, 1988.

McQueen said the Love purchase should be beneficial for both firms as it provides Punta Gorda with the capital it needs for its projects and Love will benefit because it is acquiring a majority interest in a development company with an established inventory.

She said the established inventory is particularly attractive because it has been approved for development. Typically, she said, it can take years to get state and environmental approval to begin a development.

Kirkland said the developer has taken steps to ease the firm's financial difficulties by cutting its bank debt and administrative expenses in half.

McQueen said the firm is in a position to begin development of its Sugar Mill Woods development located approximately 60 miles north of Tampa, Fla., in Citrus County. When it is completed, Sugar Mill will have 20,000 lots on 15,000 acres of land.

Punta Gorda was founded in 1958 by two men, Alfred Johns and Wilbur "Bud" Cole, who met in Formosa while working for the Central Intelligence Agency (CIA).

According to McQueen, the partners first became involved in a shoe business but when it failed, Johns became interested in a development called Coral Ridge Properties.

The experience at the development on Florida's east coast convinced the partners to look for other opportunities and they began looking for land on Florida's west coast. The first land they purchased became the basis for the firm's future developments. It was called Punta Gorda Isles and is about 90 miles south of Tampa in Charlotte County, Fla.

Love Development is a private investment partnership of the Love Cos. The Love Cos. have eight operating divisions in a specific area of real estate investment or finance. The Love Cos. control more than \$400 million in commercial real estate properties in 18 cities.

Five divisions make up Love Real Estate Co. and specialize in developing and acquiring apartments, office buildings, shopping centers, hotels and retirement centers.



Love's real estate financing business includes Love Funding Corp., a Washington, D.C.-based firm that provides mortgage banking and FHA co-insurance loan services and Economy Federal Savings and Loan Association, a St. Louis-based thrift with assets of more than \$200 million and a savings customer base of more than 10,000.

The eighth division, Love Management Co., manages Love's real estate assets.

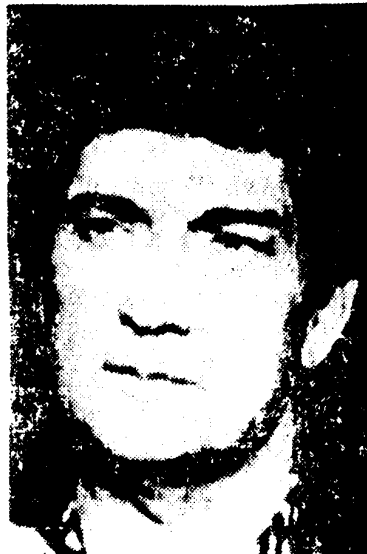
Andrew Love serves as chairman of the board of the Love Cos.

**Andrew Love, chairman of the board of Love Cos.**

*A Carriles, Luis, 2.  
Posada*

pert, worked virtually full-time for the CIA from the Bay of Pigs invasion in April 1961 until 1967. He took a high-level post in Venezuelan intelligence, where he continued to serve as a CIA informer until June 1974. Posada and Rodriguez served together in the U.S. Army at Fort Benning, Ga., after the Bay of Pigs fiasco, relatives said. They apparently reunited during the mid-1960s on a secret campaign to launch attacks on Cuba from Nicaragua.

*Staff writers Dana Priest, Charles R. Babcock and Edward Cody contributed to this report.*



LUIS POSADA CARRILES  
... a CIA employe in 1961-1967

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